Summary Business Proposal to Intuit Inc.

1.0 Summary

MoveIt! Software, Inc. ("*MoveIt!*" or the "Company") provides leading edge shipping and tracking software to the logistics industry. The *MoveIt!* team is most recently responsible for the development and deployment of United Parcel Service's ("UPS") most powerful shipping and tracking software package, *UPS OnLine ᵀᴹ Professional* ("UOP"). At present, there is no affordable multi-carrier shipping and tracking software available to small businesses. Applying its extensive knowledge in this field, MoveIt! seeks to develop this product for Intuit Inc . Due to the leading carriers' multiple changes in shipping charges and services, the product would require regular upgrades and an ongoing revenue stream.

2.0 Background

In November 1995, UPS acquired the consulting division of ConnectSoft, Inc., a Bellevue, Washington-based software development company tasked with the development of UPS' latest generation of shipping and tracking software, UOP. This division became a wholly-owned subsidiary of UPS and was renamed Velleb, Inc. ("Velleb") (see Velleb's web site at www.velleb.com). With the completion of UOP Release 3.0 in April 1997, UPS agreed to a two-step spin-off of Velleb. The first step of this spin-off is complete and the three (3) senior managers of Velleb have recently formed *MoveIt! Software, Inc.* On September 27th of this year approximately 30 additional Velleb employees will join *MoveIt!* as permanent employees and shareholders, and UPS will make a substantial financial investment in the Company.

3.0 *UPS OnLine ᵀᴹ Professional* ("UOP")

UOP is the world's most powerful shipping and tracking software package provided by a carrier today. It is a versatile, Windows-based application comprised of approximately 1,000,000 lines of C++ code. After nearly four (4) years of successful development and releases at ConnectSoft and Velleb, the product is now on version 3.3. Currently being installed in approximately 100,000 high-volume UPS customer sites, UOP is the cornerstone of UPS' on-line initiative. UPS is the largest parcel carrier in the world with approximately 1.5 million customers shipping over 3.5 billion packages per year. UOP is currently being used to ship over 1 million packages per day.

4.0 Plan

MoveIt!'s business model is designed to leverage its proprietary and intimate knowledge of the UOP product and the logistics industry by providing small businesses with a robust, simple to use, multi-carrier software product bundled with an inexpensive label printer and a scale (*Quick ShipIt!®*). The initial *MoveIt!* strategy is to introduce this affordable commercial quality shrink-wrap product into the retail channel. Parcel carriers which *Quick ShipIt!®* will support include UPS, Federal Express (FedEx), Airborne Express, Roadway Package System, Emery Worldwide, DHL World Wide Express, and the United States Postal Service. One marketing option will be to bundle *Quick ShipIt!®* with a small business accounting package which would by nature cover a similar user community (Intuit's *Quick Books©*, or Peachtree Software's *Accounting for Windows*, for example).

5.0 Product

MoveIt!'s Quick ShipIt!® will be an integrated multi-carrier package shipping and tracking application with compatible user interface to the Intuit family of products and the Microsoft Office Suite. Some of the features that will be supported by *Quick ShipIt!®* include:

- **Rate Shopping:** This allows shippers to make informed choices about delivery times and costs by automatically comparing service levels across all supported carriers.
- **Tracking:** This important feature will allow shippers to track with Proof of Delivery (POD) accountability. The system will maintain an historical record of all packages shipped for ease of tracking.
- **Label and Document Printing:** This feature will print carrier compliant labels and documents. It will also print the invoice numbers and charges that small businesses require and value.
- **Accounting Integration:** Shipping charges will be seamlessly exported to leading small business accounting applications.
- **Bill Reconciliation:** This feature allows the user to reconcile invoices from the various carriers with *Quick ShipIt!'s* actual shipping history.

- **Address Database:** This feature will save shippers time and avoid address errors by storing all customer addresses.
- **Scalability:** As a business grows and ships more packages, *Quick ShipIt!®* will be able to grow with it with built-in support to a variety of high-end scales and printers.
- **Support:** The product will provide extensive on-line help and a comprehensive user manual. *Moveit!* will also provide customers with technical support.
- **Localization:** A localized version for Spanish will also answer the needs of many shipping docks where Spanish is spoken more frequently than English.

6.0 The Competition
At present, there are no small-business oriented, multi-carrier shipping and tracking software products available through retail channels. Parcel carriers like UPS and FedEx, however, provide free low-end single carrier shipping and tracking software. Current multi-carrier systems are expensive and depend upon custom installations through a Value Added Reseller (VAR) channel.

7.0 Market
Moveit!'s market for *Quick ShipIt!®* is defined by the number of small businesses in the United States which typically make shipments using a parcel carrier. Currently, it is estimated that the total number of businesses which utilize a parcel carrier is in excess of 1.5 million of which at least 500,000 are small businesses that would benefit from the *Quick ShipIt!®* product.

8.0 Competitive Advantage
The *Moveit!* team enjoys several competitive advantages for developing *Quick ShipIt!®*. As the architects of UOP, the *Moveit!* team has greatly benefited from four(4) years of immersion in the package shipping and tracking world and has gleaned valuable market insights through its association with UPS. This team brings a proven track record in successfully developing, deploying and supporting a large-scale, full-featured, Windows-based shipping and tracking product. *Moveit!* does not, however, anticipate a need for the UOP source code to develop its product. *Moveit!'s* extensive experience and seasoned vertical development team (i.e. senior management, developers, quality assurance, technical publications, and third-level support) gives it a significant advantage in being first to market with a robust *Quick ShipIt!®* product. As noted above, some parcel carriers provide "free" software packages for their services, but they do not provide customers with the value and savings of a multi-carrier system, the benefit of bill reconciliation features, integration with popular accounting packages, or Spanish versions of their products.

Having developed several commercial off-the-shelf products for Independent Software Vendors (ISVs), the *Moveit!* team understands the need to produce the highest quality products. *Moveit!* QA Engineers are well versed in automated testing techniques and have extensive experience with Visual Test and Visual Basic. They are also capable developers who conduct code reviews and regularly develop utility software that generates volumes of test data. The entire *Moveit!* team understands the customer's need to minimize support calls on products they develop, and maintains a sharp focus on excellent usability and elimination of any software defects.

The *Moveit!* development team members are experienced C++ developers and its staff is current with the latest language enhancements and programming practices. Specific development skills include: graphics, custom controls, UI design, communication protocols, database performance optimization, custom printer drivers, threading, and object oriented design. All of the staff have several years of relational database experience. The QA and technical support teams are also experienced database developers or administrators. If creating mission-critical code on PC platforms is the goal, *Moveit!* has the skills, experience and track record to deliver.

As consultants at ConnectSoft, the team worked on several multimillion dollar projects for such clients as MCI, SpaceLabs Medical, Pacific Bell, and UPS. Working with such large clients to build mission-critical applications has brought a maturity and business savvy that is not common for MS Windows development teams. Working together in one location, *Moveit!* can take a product from the early business requirement stage, through functional requirement writing, software development & testing, product packaging and

deployment. The *Movelt!* team has always had a strong project and customer satisfaction focus as a result of its consulting roots. Extensive contacts in the software development community have allowed *Movelt!* to quickly bring additional testing or development resources to bear on a development effort as they are required.

9.00 *Movelt!* Management
The present senior management of Velleb are the founders and senior officers of *Movelt! Software*. They are:

- *Stephen M. Teglovic*, 36, serves as *President and CEO* of *Movelt!*. He is responsible for implementing and overseeing the company's strategy and spearheading the company's marketing efforts. While serving as the General Manager for Velleb, Steve also was the contract manager for UOP. He has held prior positions at ConnectSoft, Inc. as Vice President of its Consulting Division, at Hewlett Packard as a software engineer, and as an officer in the US Army. Steve holds a Bachelor of Science degree in Management Information Systems from California Polytechnic San Luis Obispo.

- *John M. Dietz*, 36, serves as *Vice President of Operations and COO* of *Movelt!*. He is responsible for managing the day-to-day operations of the company, including overseeing software project management, contract administration, budgeting, implementing policies and procedures, human resources, and office administration. John was the Director of Engineering for Velleb and served as the project manager for UOP. He has held prior positions at ConnectSoft as Director of Development and Director of Engineering of the Consulting Division. John has held prior software development and manager positions at Boeing and taught college level Computer Science classes in C/C++ development. John has two (2) Bachelor of Science degrees from Texas A&M University, one of which is a Computer Science degree from the Texas A&M College of Engineering. He is a member of the ACM.

- *William W. Smith*, 34, serves as *Vice President of Engineering and CTO* of *Movelt!*. He is responsible for the management and mentoring of software engineers during the development process, providing technical guidance and architecting Movelt! products. William was the principal architect of the UOP product and has been the Director of Software Development for Velleb. William has held prior positions as both Project Lead and the Windows Development Manager at ConnectSoft and as a senior software engineer and technical leader at Boeing. William holds a BS degree in Industrial Engineering from the University of Michigan and a Master of Science degree in Human Factors from Virginia Tech. He is a member of the ACM.

10.0 Outside Advisors
Movelt! has engaged the services of successful professionals to assist them in achieving their business objectives. They are:

- *Financial Advisor:* John E. Jamerson, 44, serves as the Company's outside financial advisor providing financial modeling and strategic business plan input. He will also assist the Company in its capital raising efforts. Mr. Jamerson began his career in 1977 in the Investment Banking Department of Dean Witter Reynolds where his final position in 1984 was Senior Vice President. He is President of Lancaster Capital Corporation, an investment firm he founded in 1984 which provides financial advisory and capital raising services to private and start-up companies. Mr. Jamerson holds a Bachelor of Business Administration from The University of Michigan and a Master of Science in Management from the M.I.T. Sloan School of Management.

- *Legal Counsel:* The Venture Law Group, based in Menlo Park, CA and Kirkland, WA has been engaged by the Company to provide corporate and strategic legal advice. The Venture Law Group specializes in representing deal-intensive technology companies.

- *Accountants:* The firm of *Moss Adams LLP* has been engaged by the Company to provide tax advice and accounting services. Moss Adams is the fourth largest accounting firm in the Puget Sound region with 586 accountants in sixteen offices located in the Western United States.

- ***Commercial Bank:*** The Company has engaged *U.S. Bank of Washington N.A.*, the third largest bank in the Puget Sound region, to provide a wide array of banking and cash management services.

11.0 Financial Strength of *MoveItl*

Because of its unique relationship with UPS, *MoveIt!* operates with the resources of a seasoned operating company. In addition to providing office space and state-of the-art computer equipment to *MoveIt!*, UPS is making a substantial seven figure direct investment in *MoveIt!* in the form of working capital, overhead funding, and personnel funding. This investment assures *MoveIt!* of the stability and financial soundness it needs to support its business development and to retain talented personnel.

12.0 Financial Projections

Specific revenues and net income have yet to be modeled at this time, but based on a market of 500,000 potential customers (conservative estimate) and a 10% penetration factor, it is estimated that revenues from *MoveIt!'s Quick ShipIt!®* product could generate in excess of $10 million in revenues within three (3) years. Additionally, all parcel carriers change their shipping rates and modify their services at least annually. Once *Quick ShipIt!®* is installed at a customer's business, *MoveIt!* will provide regular rate and service upgrades via disc or over the WEB. Providing these recurring services represents an attractive ongoing revenue source to *MoveIt!*.